

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/22)
BUTTER: Grade AA closed at \$1.4575. The weekly average for Grade AA is \$1.4658 (-.0559).

CHEESE: Barrels closed at \$1.4000 and blocks at \$1.4600. The weekly average for barrels is \$1.4510 (-.0590) and blocks, \$1.5295 (-.0445).

BUTTER: At the CME, the cash price for butter has held below \$1.50 for 4 sessions (through 4/22). This is the most consecutive sessions in the \$1.40's since January 2004. Trading activity at the CME has been moderate. Churning activity remains heavy across the country. Cream supplies are excessive and demand from Class II usage lags expected, spring-time levels. Although inventories are well below year ago volumes, the current, heavy output is causing stocks to grow at a rapid pace. Demand for both bulk and packaged butter is slow to fair. Some users are buying bulk in anticipation of future needs or to protect futures positions.

CHEESE: The cash cheese market is weak. Many in the industry feel that overall cheese offerings will remain above year ago levels at least into spring due to increased milk production. Current cheddar and American cheese supplies remain tight. Mozzarella interest remains slow to fair at best. The Kansas City Commodity Office (KCCO) announced the purchase of between 11.1 million pounds and 26.2 million pounds of natural American cheese under Invitation 080 to Announcement BCD2 for delivery July 1, 2005 – June 30, 2006. KCCO intends to issue a supplemental invitation to obtain 3.0 million pounds of cheddar blocks and 3.3 million pounds of shredded reduced fat cheddar not purchased under this Invitation. KCCO also announced the purchase of between 32.4 million pounds and 65.3 million pounds of mozzarella under Invitation 080 to Announcement MCD3 for the same delivery period. This is the approximate volume of mozzarella that KCCO was seeking.

FLUID MILK: Milk production is increasing at varying rates in most regions of the country. The milk flow seems to be steady at or just past the peak along the Gulf Coast, but increasing almost everywhere else. Fluid milk supplies are excessive in the Eastern two-thirds of the country; steady at heavy levels in the West. Some plants are welcoming these additional volumes while others are stretching their plants' capacities. However, this is typical for this time of year. Some cheese makers are taking some down time and others are limiting their cheese making schedules. This is pushing more milk into butter/powder plants. Class I milk demand is steady at just fair levels. The fluid cream market is weak and offerings are more than ample for the unaggressive Class II demand. Large numbers of excess loads are clearing to churning facilities.

DRY PRODUCTS: The NDM market is still relatively firm, but increased drying is temporarily easing the product tightness. Prices are mixed, mostly higher. Demand for NDM is holding at good levels. The dry buttermilk market is a little weaker as churning activity remains very heavy. Liquid buttermilk offerings are up and demand slow. Dryers do not want to make buttermilk

powder because it would slow the skim processing down. The dry whey market, though firm, is reportedly less firm than it was a couple weeks ago, at least in the East. Western dry whey prices continue to increase and product stocks are light. Demand for dry whey is good, but most spot sales are being filled in the resale side of the market. Production levels are steady to heavier as more milk is available to cheese makers. The WPC market remains firm. Product availability is limited and some contract shipments are being delayed. The lactose market and prices are steady.

CCC: During the week of April 18 - 22, there was no price support activity. The last CCC purchase of NDM occurred in late November 2004.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for May 2005 is \$14.80, up 67 cents from April. This price is derived from the advanced Class III skim milk pricing factor of \$9.14 and the advanced butterfat pricing factor of \$1.7092 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for May is \$7.61 and the Class II nonfat solids price is \$0.8456 per pound. The following are the two-week product price averages: butter \$1.5393, nonfat dry milk \$0.9159, cheese \$1.5777, and dry whey \$0.2596.

MARCH MILK PRODUCTION (NASS): Milk production in the 23 major states during March totaled 13.8 billion pounds, up 3.1% from March 2004. February revised production, at 12.3 billion pounds, was down 0.5% from February 2004. However, production was up 3.1% on a per day basis after adjusting for the leap year. The February revision represented an increase of 30 million pounds or 0.2% from last month's preliminary production estimate. Production per cow averaged 1,704 pounds for March, 43 pounds (2.6%) above March 2004. The number of milk cows on farms was 8.10 million head, 38,000 head (0.5%) more than March 2004, and 21,000 head more than February 2005. Milk production in the U.S. during the January-March quarter totaled 43.2 billion pounds, up 1.1% (unadjusted) from the January-March quarter last year.

MARCH FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During March, about 10.4 billion pounds of milk were received from producers. This volume of milk is 35.7% higher than the March 2004 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +2.4%.) About 3.8 billion pounds of producer milk were used in Class I products, 2.2% lower than the previous year. The timing of the Easter season, as well as calendar composition, likely had a negative impact on milk used in Class I in 2005 as compared to 2004. The all-market average Class utilizations were; Class I = 37%, Class II = 13%, Class III = 38%, and Class IV = 12%. The weighted average statistical uniform price was \$15.39, \$0.23 higher than last month, and \$0.23 higher than last year.

******SPECIAL THIS ISSUE******

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

PRODUCT	MONDAY APRIL 18	TUESDAY APRIL 19	WEDNESDAY APRIL 20	THURSDAY APRIL 21	FRIDAY APRIL 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4750 (-.0050)	\$1.4650 (-.0100)	\$1.4575 (-.0075)	\$1.4575 (N.C.)	\$1.4000 (-.0575)	(-.0800)	\$1.4510 (-.0590)
40# BLOCKS	\$1.5500 (-.0100)	\$1.5500 (N.C.)	\$1.5475 (-.0025)	\$1.5400 (-.0075)	\$1.4600 (-.0800)	(-.1000)	\$1.5295 (-.0445)
BUTTER GRADE AA	\$1.4700 (-.0150)	-----	\$1.4700 (N.C.)	-----	\$1.4575 (-.0125)	(-.0275)	\$1.4658 (-.0559)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, APRIL 18, 2005

CHEESE—SALES: 5 CARS 40# BLOCKS: 3 @ \$1.5500, 1 @ \$1.5475, 1 @ \$1.5500; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.5500, 1 @ \$1.5000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.4750

BUTTER—SALES: 12 CARS GRADE AA: 2 @ \$1.4850, 1 @ \$1.4825, 3 @ \$1.4800, 1 @ \$1.4750, 1 @ \$1.4725, 4 @ \$1.4700; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.4650; OFFERS UNCOVERED: 4 CARS GRADE AA @ \$1.5000

TUESDAY, APRIL 19, 2005

CHEESE—SALES: 1 CAR 40# BLOCKS @ \$1.5500; BIDS UNFILLED: 10 CARS 40# BLOCKS @ \$1.5425; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.4650, 1 @ \$1.4700, 1 @ \$1.4725

WEDNESDAY, APRIL 20, 2005

CHEESE—SALES: 9 CARS 40# BLOCKS: 3 @ \$1.5450, 5 @ \$1.5425, 1 @ \$1.5475; BIDS UNFILLED: 2 CARS BARRELS @ \$1.4000; 5 CARS 40# BLOCKS @ \$1.5425; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.4575; 1 CAR 40# BLOCKS @ \$1.5500

BUTTER—SALES: 10 CARS GRADE AA: 1 @ \$1.4725, 4 @ \$1.4800, 1 @ \$1.4775, 1 @ \$1.4725, 1 @ \$1.4700, 1 @ \$1.4750, 1 @ \$1.4700; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.4700, 2 @ \$1.4675, 1 @ \$1.4650; OFFERS UNCOVERED: NONE

THURSDAY, APRIL 21, 2005

CHEESE—SALES: 1 CAR BARRELS @ \$1.4575; 5 CARS 40# BLOCKS: 1 @ \$1.5475, 1 @ \$1.5450, 2 @ \$1.5425, 1 @ \$1.5400; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5425

FRIDAY, APRIL 22, 2005

CHEESE—SALES: 1 CAR BARRELS @ \$1.4000; 9 CARS 40# BLOCKS: 1 @ \$1.5300, 1 @ \$1.5275, 4 @ \$1.5300, 1 @ \$1.4900, 2 @ \$1.4600; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3900; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.4200, 1 @ \$1.4525, 1 @ \$1.4575; 1 CAR 40# BLOCKS @ \$1.5325

BUTTER—SALES: 5 CARS GRADE AA: 1 @ \$1.4700, 1 @ \$1.4650, 1 @ \$1.4600, 1 @ \$1.4550, 1 @ \$1.4575; BIDS UNFILLED: 7 CARS GRADE AA: 2 @ \$1.4500, 1 @ \$1.4400, 1 @ \$1.4300, 1 @ \$1.4200, 1 @ \$1.4100, 1 @ \$1.4000; OFFERS UNCOVERED: 2 CARS GRADE AA @ \$1.47

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9825 (N.C.).

BUTTER MARKETS

NORTHEAST

After last week's comment about the butter market appearing a little more settled, the CME cash price for butter has declined three consecutive sessions. Through Monday (4/18), the CME cash price is the lowest it has been since early August 2004. Contacts are still a little confused by current market indicators. There are those who see inventories well below year ago levels, but others look at the heavy production, rapidly growing inventories, and generally lackluster demand for butter. Some speculators are now showing more interest in obtaining stocks and there continues to be a certain amount of futures positioning. Churning activity in the East remains heavy. However, cream is reportedly in slightly better balance now that Class II cream demand is starting to improve. Bulk and packaged butter stocks are more than adequate to meet current demand. Retail butter sales remain slow and food service orders are mostly steady. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

Butter markets are weak as the cash price is lower. The current price of \$1.4700 is 87.50 cents lower than last year at this time, but 37.25 cents higher than this time in 2003. Churning schedules remain seasonally strong as cream supplies are readily available to Central butter producers from local and especially out of area sources. Often butter producers are hesitant to take advantage of initial cream offerings at quoted prices, knowing that volumes are heavy and volumes need to be cleared. Current production is surpassing demand thus inventories are increasing, although they continue to trail last year at this time. Butter demand is seasonally fair as spring holiday orders are completed. Some retailers are stating that a lower cash price, thus lower retail prices, are enough to encourage retail customers to purchase butter without feature activity. Food service orders are

seasonally active as restaurants ready themselves for spring/summer eating patterns. Management for some restaurants and eating establishments are speculating good food sales during upcoming months as families might stay closer to home and eat out more often versus extended family vacations due to higher fuel costs. Bulk butter for spot sale is being reported in the 1 – 3 cents per pound over various pricing basis.

WEST

Butter prices at the cash CME market fell sharply last week to stand at \$1.4850 on Friday. This is the lowest price since the summer of 2004. Prices continued to fall this week and currently stand at \$1.47. These lower prices are stimulating some additional buying interest. Some buyers view prices below \$1.50 as favorable and are willing to inventory some product at that level. Retail sales are being called slow at best with food service accounts taking normal volumes. Offerings of cream to the churns remain larger than anticipated. Some summer-like conditions in the Southwest and Midwest are beginning to stimulate some additional ice cream production. Contacts are beginning to wonder if this year's ice cream season will be any better than last year's disappointing year. Imports of High-Tier butter (above quota and with a penalty) for the first quarter of the year total 194,300 pounds, only 20% of the total for the same period last year. These imports may be down because of the Euro versus the dollar price relationship and U.S. domestic prices are not high enough to cover the cost of imported butter including the penalty. Imports of licensed or quota butter for the first quarter total 4.85 million pounds, up 19.8% from the same period in 2004. These imports total about 32% of the annual quota. CME weekly butter stocks grew by 5.1 million pounds last week to stand at 75.1 million pounds. Stocks only trail last year by 14 million pounds. In the last 16 weeks (from the end of 2004) stocks have increased 63.8 million pounds. Last year for the same period, stocks were up 33.1 million pounds. Bulk butter prices range from flat to 3 1/2 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
APRIL 16	1.5684	1.5663	0.9184	1.5347	0.2605
	7,797,372	10,030,827	19,959,625	3,738,632	14,117,077

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are again lower. Last week's cash CME cheese average fell for the second week in a row. The CME price opened the week lower on 4/18. The market tone is mixed, mostly weaker. Mozzarella sales are trending seasonally slower while demand for cheddar and process items is fair to good. Cheese production in the Northeast is lower this week as one plant is reportedly down for renovations/maintenance. Retail sales are slow to fair depending on feature activity. Food service orders are holding relatively steady, but improving weather is helping restaurant and fast food business.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6400-2.1550
Cheddar Single Daisies	:	1.5975-2.0725
Cheddar 40# Block	:	1.7150-1.9725
Process 5# Loaf	:	1.7200-1.9275
Process 5# Sliced	:	1.7400-1.9550
Muenster	:	1.8125-2.0150
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is unsettled to weak. Buyers are reacting to the prospect of larger than year ago milk and cheese production, at least into spring. Current cheddar blocks remain tight to just in balance as producers make other varieties instead of cheddar. Other natural American varieties are also about in balance. Interest remains fairly good for cheddar for aging programs. Barrels are adequate though still tight for some producers. Process interest still seems seasonally sluggish. Mozzarella demand is very soft and, for some producers, discounting prices is no longer clearing supplies. At least one operation is reallocating milk supplies away from mozzarella production in favor of American styles or other varieties. Some plant operators are already worried about having adequate plant capacity to handle anticipated spring milk volumes. Where grass and pasture growth is slow, cheese yields have yet to fall appreciably.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.7100-2.0300
Brick And/Or Muenster 5#	:	2.0400-2.1250
Cheddar 40# Block	:	1.9100-2.2650
Monterey Jack 10#	:	2.1100-2.2650
Blue 5#	:	2.4200-2.7200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8650-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.9000

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS IN
THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
04/18/05	45,949	:	138,541
04/01/05	42,393	:	133,181
CHANGE	3,556	:	5,360
% CHANGE	8	:	4

WEST

Block cheese prices at the CME cash market began to fall on April 5 during this current price cycle. Prices have either held steady or moved lower for the last 12 trading sessions. The decline over this period totals 7 3/4 cents. Western contacts continue to be surprised at the CME market since they cannot get all the cheese they want to cover current needs. Most ongoing contracts are eventually filled, but there is not enough cheese to satisfy new interest. Buyers are taking everything that is produced and production is increasing seasonally. Manufacturing plants are very happy to be able to make some additional cheese. They do seem to be taking less skim to fortify cheese vats because prices are too high, the product is not available, or they simply have enough whole milk to process. This is also affecting how much cheese is available at some locations. Imports of High-Tier cheese (above quota and with a penalty) for the first quarter of the year total 4.92 million pounds, down 35% from the same period in 2004. These imports may be lower because of the relationship between the Euro and the dollar and that U.S. domestic prices may not be high enough to afford these imports including the penalty. Imports of licensed or quota cheese for the period total 77.2 million pounds, up about 35% from the first quarter of 2004. Imports stand at about 26% of the annual quota.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6625-1.9200
Cheddar 40# Block	:	1.6950-2.0475
Cheddar 10# Cuts	:	1.8750-2.0950
Monterey Jack 10#	:	1.8850-2.0450
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are unchanged to lower and the market tone little changed. Overall, demand for imported and domestically-made foreign type cheese is seasonally slow to fair. Supplies are about adequate to meet current needs. During the first three months of 2005, imports of cheese subject to licensing totaled 35.04 million Kg, 34.6% more than same period last year. The early-year, unfavorable rates of exchange for the U.S. dollar seem to have had less of an impact on imports than previously expected. During the same period, imports of high-tier cheese totaled 2.23 million Kg, 34.9% less than the same period in 2004.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.6900	: 1.9525-3.4425*
Gorgonzola	: 3.6900-5.9400	: 2.4900-2.5325*
Parmesan (Italy)	: TFEWR	: 3.3700-3.4750*
Romano (Italy)	: 2.1000-3.1500	: -0-
Provolone (Italy)	: 3.4400-6.0900	: 1.9550-2.1900*
Romano (Cows Milk)	: -0-	: 3.1500-5.3150*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 3.1200-4.1500	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.5600	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	164	0	134	0	119
SOUTHEAST STATES	0	0	0	0	0	0

March milk production in the 23 major states totaled 13.8 billion pounds, up 3.1% from March 2004. The following are the March-to-March changes for selected states: Florida +6.1%, New York +4.1%, Texas +3.1%, Vermont +2.7%, Virginia +1.9%, Pennsylvania +1.2%, and Kentucky -1.6%. Milk production is increasing at a more rapid rate in the upper half of the region. Contacts north of the Middle Atlantic are all comment that milk receipts from the farm are increasing and farm pick-up routes are being added to handle the additional output. In Florida, milder weather seems to be helping milk output rebound slightly. Other Gulf Coast states are seeing milk production ease lower from the peak. Fluid milk supplies are excessive as some cheese makers are either down for renovation or limiting their production schedules. This is causing most butter/powder plants to take in more milk. Most Northeastern and Southeastern manufacturing plants are full. Milk handlers report that plant capacities are being "tested" this week. Contacts feel that milk volume increases are to be expected at this time of year. Class I sales are slower in most parts of the region. Florida schools will be closed Friday and coupled with more people moving back north, bottled milk sales have slowed. Many New England schools are closed this week, further adding to the surplus milk supply. The condensed skim market and prices are unchanged. The fluid cream market is weaker. Offerings range from excessive to burdensome and prices are generally lower. Class II cream demand is lagging seasonal expectations and local churns are either full or not taking outside cream. The number of loads moving to Midwestern churns has increased from last week. The multiples being paid are fairly steady, but based on the CME butter market, date of shipment. Ice cream production is mostly steady and not showing the increases that many industry observers would expect for April. The weather hasn't improved too much, but the few warmer days did help soft serve sales. Cream cheese output is also slow. Reportedly, cream cheese makers are not overly eager to build too much inventory and some are trying to limit cream purchases to contracted volumes. Bottled cream production is about steady.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.8260-1.9782
DELIVERED EQUIVALENT ATLANTA	-	1.8413-2.0086 M 1.8869-1.9478
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.8260-1.8869

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9800-1.0100
NORTHEAST- CLASS III - SPOT PRICES	- 1.1200-1.1600

M I D W E S T

March milk production in selected Midwestern states compared with 2004 is estimated to be: Wisconsin, 1.92 billion pounds, up 2.4%; Minnesota, 710 million pounds, up 1.1%; Michigan, 561 million pounds up 2.9%; Iowa, 331 million pounds, down 1.8%; and Indiana, 262 million pounds, down 2.2%. Milk production is increasing in more parts of the region and the rates of increase vary. In the southern parts of the region the milk flow is at or near the peak, while milk output is still increasing towards the peak in the more northern areas. Cows are out on pasture in some areas, but pasture/grass growth is slow. Contacts state that as the milk production increases, fat and protein tests are sliding, which is a typical spring pattern. However, some report little change in the component levels. Fluid milk supplies are increasing, but clearing satisfactorily. Class I and II milk demand is holding up surprisingly well and some cheese makers (Class III) are taking normal volumes. Demand for the surplus milk is slower and prices are in a wide range of \$.50 under to \$1.75 over Class, f.o.b., depending on usage. For the most part, most users

had enough milk in their own systems and had little need for "outside" milk. This week's cheese convention was cited as another reason milk demand eased. Class I milk demand was mostly steady. The fluid cream market remains weak. Cream volumes are excessive and Class II sales are lagging expectations. Cream suppliers are long and heavy volumes are clearing to butter manufacturers. Ice cream production has not improved as contacts expect for this time of year. Reports indicate that the early-week warm temperature gave soft serve mix sales a boost. Also, low-fat ice cream and ice milk sales have been fairly brisk so far this season and may be a reason that regular or premium brands have lagged.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APR 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 55.00- 63.00	\$ 52.00- 58.00
REPLACEMENT HEIFER CALVES	\$250.00-700.00	\$300.00-590.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APR 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	\$ 57.00- 66.00	\$ 50.00- 57.50

W E S T

Milk production in the 23-Selected states for March was 13.8 billion pounds, up 3.1% from March 2004. Output for selected Western states compared to last year is as follows: Arizona +2.7%, California +3.9%, Colorado +5.5%, Idaho +12.0%, New Mexico -0.2%, Oregon +4.8%, and Washington +3.9%. Cow numbers in these seven states grew by 70,000 from last year while the total for the 23 states grew by 38,000 head. Production per cow was higher in six of the seven Western states with the U.S. production per cow growing by 2.6%. Milk production is moving higher in CALIFORNIA at levels above a year ago in most areas. The normal, seasonal increases are generally being handled efficiently and normally. There are some cheese producers wanting to take some down time. The highest growth area in production versus a year ago is in the Central Valley. Temperatures are good and new crop hay is being fed. The southern producing areas are seeing incremental growth in output and are moving beyond pre spring storm levels. There are concerns about what the wet conditions have done to breeding cycles and also whether the upcoming summer heat will adversely affect the stressed cows. In the northern producing areas, production is slowly moving seasonally higher as pastures grow. Statewide, there remain variations in Class I sales as buying patterns try to return to normal after school vacations. NEW MEXICO milk production is moving higher seasonally at levels slightly above last year. Conditions have been favorable for milk cows and production is responding. Feed supplies are available, but hay prices are higher. Milk is moving to plants and out of area processors on schedule. CREAM prices remain weak as supplies are heavier than desired. Offerings are increasing as milk production increases and seasonal demand for cream based items is slow. Surplus cream is ending up at butter churns at lower prices. The CME butter price is also declining and 5 cents lower from last week to close at \$1.4700 on Wednesday, April 20th. Multiples moved lower and range from 105 to 123 FOB, and vary depending on basing points and class usage. Higher fuel costs continue to impact shipments of cream within the region. Cool and occasionally damp conditions are common over the west side of the PACIFIC NORTHWEST. The eastern slope is dryer and also cool. Alfalfa growth is very slow at this time as the nights remain very cool. Water concerns continue with the snow pack over much of the Cascades standing at 45% of normal. Six counties in Oregon have been designated as drought impacted as well as most of Washington. Dairy producers in the region still needing hay before new crop is available (4-5 weeks off) are stepping down in quality to find what they need. Most contacts feel that hay stocks in most categories will be minimal at best when new crop becomes available. Prices are firm and expected to remain so. Light frost, rain/snow, and continued cool temperatures are still occurring in UTAH and IDAHO. The moisture is welcomed in Idaho, but not so much in Utah. Flood concerns are the current topic of most conversation in Utah. The southern part of the state is expected to be hit hardest when the spring runoff commences. Some of the snow pack is said to be holding as much as six feet of moisture. Hay stocks are fast declining and prices are firm. Heifer prices in the region continue to firm. Average prices at two regional sales varied between \$2165-2343 with a top end of \$2475. Demand remains strong. Milk output is increasing seasonally and most cheese plants are happy with the additional supplies.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are generally unchanged on a steady to firm market. Limited supplies of NDM are available on a spot basis. Some offerings from the Central region are noted at a premium for the light to fair interest. Increased movement for delivery on delayed contractual shipments is noted. Buyers are expecting delayed orders of NDM to be fully satisfied by mid-May. Production is steady to higher due to increased milk production. Traders anticipate continued firm NDM markets only if good export demand persists.

EAST: The market tone remains firm, but some contacts note that some of the "edge" has come off the market. Most are quick to point out this situation may be a short lived. Production levels are seasonally heavy as we enter the spring flush. Also, schools were on vacation in New England this week and some cheese plants are lowering production schedules. This is pushing more milk into butter/powder plants. Contacts note that most of the drying plants are full. The increased drying and growing producer stocks have caused some producers to lower prices, particularly on multi-load sales. Conversely, the nation's largest marketing agency price moved fractionally higher this week. It was noted that buyers/traders/users have been busy covering their anticipated late-year needs. Given that scenario and that stocks have been sufficiently built plus the increased production in the coming weeks, some traders have commented that they are seeing NDM with "a little" age on it being offered. Some buyers have readily purchased these extra loads, particularly those who had not yet covered themselves.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .9250 - 1.0100 MOSTLY: .9525 - .9625
HIGHHEAT: .9600 - 1.0950

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices showed additional firmness this week. Several transactions occurred at pricing levels above last week's levels for both domestic and export sales and for both small and large volume sales. The market tone remains firm. Throughputs at drying facilities are seasonally active and building as milk production grows toward the seasonal peak. Demand remains good and offerings are clearing. Some cheese producers are using less NDM and/or condensed skim in the make process for various reasons. High heat prices are unchanged. Demand is up slightly and producers are now finding that stocks are being used and they are unable to make drying time to run high heat.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .8975 - .9800 MOSTLY: .9200 - .9700
HIGHHEAT: .9375 - .9800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 15	\$.9011	8,706,926	0
April 8	\$.8963	8,083,160	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Buttermilk prices are unchanged and nominal on a steady market. Some offerings are noted at a discount to the average. Western supplies of buttermilk are being offered into the Central region at competitive delivered prices. Spot interest in dry buttermilk is generally light with most movement reported on a contractual basis. Production of condensed buttermilk is higher as excess cream filters into churns. Ice cream producer interest in condensed buttermilk is mostly steady, encouraging condensed buttermilk movement into dryers. Central dry buttermilk stocks are trending higher with producers generally expressing content in holding supplies for delivery on contracts this summer.

F.O.B. CENTRAL: .9600 - 1.0500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to slightly higher again this week. The market tone is steady to firm. Drying schedules are often lighter. Surplus milk supplies are reaching spring-time highs and regional dryers are too busy making NDM to take the time to dry buttermilk. Consequently, liquid buttermilk is being offered at discounts to recent prices. Buying interest for the condensed or liquid buttermilk is unaggressive and some dryers had to "make time" for buttermilk drying. Churning activity is heavier than last week, which further exacerbates liquid buttermilk clearance issues. Producer stocks are moderate and demand for buttermilk powder is just fair.

F.O.B. NORTHEAST: .9600 - .9800
DELVD SOUTHEAST: .9800 - 1.0000

DRY BUTTERMILK - WEST

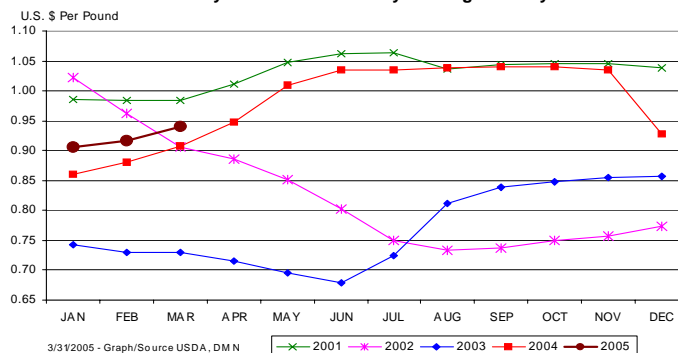
Pricing levels are weaker for Western dry buttermilk as the market tone softens. Several sales were discounted to move building stocks. Higher production levels and slower demand are creating more buttermilk on the market. Churning remains active to process cream in the region and sales of condensed buttermilk remain limited. There are concerns about the availability of drying times as milk volumes increase and nonfat drying times increase. Dry buttermilk stocks are light to moderate and often slightly higher than desired for current conditions.

F.O.B. WEST: .9100 - .9850 MOSTLY: .9200 - .9600

DRY WHOLE MILK - NATIONAL

Prices are mostly unchanged and the market tone is steady. Prices remain nominal. Production levels are light as some producers are currently too busy drying skim to take the time to make dry whole milk. Surplus milk volumes, particularly in the Eastern half of the country, are increasing toward the seasonal peak. Plant stocks are closely balanced and demand is steady.

F.O.B. PRODUCING PLANT: 1.2725 - 1.4000

Western Dry Buttermilk Monthly Average Mostly Prices

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged on a mostly steady market. Trade activity is generally light. With increased milk production, cheese vats are running full, resulting in increased supplies of condensed whey. Offerings of condensed whey are noted at steady prices. Despite the increased availability of condensed whey, most plants report that dry whey production is steady. Producer stocks are reported as in balance yet offerings are noted into Mexico and some brokerage operations. Resale prices are reported at the average to higher. Feed buyers are generally operating hand-to-mouth and in some cases opting to purchase lower cost lactose or dry permeate to offset their increased purchases of 80% WPC. Milk replacer quality whey supplies remain light and trades reported are nominal.

F.O.B. CENTRAL: .2475 - .2675 MOSTLY: .2475 - .2525
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2200 - .2400

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged with the Northeast range remaining nominal. The market tone is mixed, mostly firm. Although firm, some contacts feel the market is not as firm as it was a few weeks ago. Some traders want prices to move higher as they feel that price increase would generate more interest, but there are reports that the resale market does have sufficient product to cover most needs. However, producers continue to report a tight situation. Most producers are barely covering contracted volumes with only minimal loads being offered on the spot market. Those loads that are being offered are going to existing customers. Demand, to date, is not aggressive enough to force producer premiums above current levels. Buyers are keenly aware of the market conditions and not willing to pay higher premiums. However, improving export interest may start to play a larger role in the dry whey market. Combine the increasing price of dry whey in Europe with the weak U.S. dollar, and U.S. whey looks like a good buy to many foreign buyers. There are currently good export sales, but these could improve if production levels increase during the spring. Higher cheese production is expected short term, but long term (through the summer) is speculative at this time. Currently, cheese output in the Northeast is light to moderate.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2550 - .2725
DELVD SOUTHEAST: .2750 - .2925

DRY WHEY - WEST

Prices continue to increase slowly for Western whey powder. Demand is good from both domestic and export users. Higher prices in Europe may indicate that they will not be as competitive with U.S. sourced powder as has been the case recently. Powder production is increasing seasonally as more milk becomes available. Cheese plants are happy to get the additional milk as demand for current cheddar is generally outpacing production. Some mozzarella plants are attempting to limit their production levels because stocks are building. Western whey supplies are generally in close balance.

NONHYGROSCOPIC: .2700 - .2950 MOSTLY: .2750 - .2850

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a steady to firm market. Increased spot trade activity is noted compared to the week prior. Despite the fact that plant supplies are reportedly tight with contractual loads being delayed, some producers are able to pull together a few loads for spot trade at significant premiums. Demand remains strong for export and domestic markets. Feed buyers continue to search for alternative protein sources to 34% WPC. Off grade NDM and 80% WPC are noted substitutes to 34% WPC into some feed operations. Production of 34% WPC is mostly steady yet reduced compared to last year as many plants have altered their operations to produce high protein concentrates instead of 34% WPC. Increased offerings of condensed WPC are noted. Off grade supplies are limited for the good interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .8000 - .8750 MOSTLY: .8000 - .8400

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady market. Inquiries for lactose are increasing at most producer plants. Some chocolate companies are seeking additional contractual supplies. A few Asian buyers aim to source lower mesh size lactose for feed or pharmaceutical use at a discount. Spot movement of higher mesh size lactose is noted at a premium. Domestic interest in lactose for feed use is also noted. Some producers anticipate that the market will firm. However, in light of production trends, traders are anticipating a steady market at best. Off grade supplies are limited for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1650 - .2100 MOSTLY: .1700 - .1900

CASEIN - NATIONAL

Casein markets and prices remain firm. The supply situation is little changed from recent weeks. Oceania suppliers indicate that they do not foresee any additional volumes becoming available from that region until possibly the fall when their new production season is underway. European suppliers remain hopeful that the current production season will generate good volumes so that they will be able to once again fulfill all obligations and hopefully build a little inventory cushion for off season and spot customers.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2700 - 3.4500
ACID: 3.2700 - 3.4000

EVAPORATED MILK - NATIONAL

Prices and the market tone are little changed. Production patterns are starting to increase slightly. Surplus milk volumes are increasing in many parts of the country and some loads are being discounted to stimulate interest. For some evaporated milk producers this is a welcome time of the year. They can replenish stocks with "reasonably" priced milk. Demand is seasonally slow and the market remains highly competitive.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

MARCH MILK PRODUCTION

Milk production in the 23 major states during March totaled 13.8 billion pounds, up 3.1 percent from March 2004. February revised production, at 12.3 billion pounds, was down 0.5 percent from February 2004. However, production was up 3.1 percent on a per day basis after adjusting for the leap year. The February revision represented an increase of 30 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,704 pounds for March, 43 pounds above March 2004. The number of milk cows on farms in the 23 States was 8.10 million head, 38,000 head more than March 2004, and 21,000 head more than February 2005. Milk production in the U.S. during the January-March quarter totaled 43.2 billion pounds, up 1.1 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.00 million head, 2,000 head more than the same period last year.

STATE	MILK COWS ^{1/ 2/}				MILK PRODUCTION ^{1/ 3/}			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2004	2005	2004	2005	2005	% CHANGE FROM 2004	2005	% CHANGE FROM 2004
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	17	16	--	--	63	-11.3
AK	--	--	1.2	1.2	--	--	3.5	-2.8
AZ	155	164	155	164	338	2.7	965	2.1
AR	--	--	25	23	--	--	82	-4.7
CA	1,710	1,748	1,706	1,743	3,225	3.9	9,151	2.2
CO	100	101	100	100	193	5.5	551	3.6
CT	--	--	21	20	--	--	99	-2.9
DE	--	--	7.5	7.5	--	--	34	---
FL	138	139	139	139	227	6.1	639	4.4
GA	--	--	84	83	--	--	377	-1.0
HI	--	--	6.5	5.8	--	--	17.6	-19.6
ID	413	440	412	438	823	12.0	2,355	9.0
IL	108	105	108	105	175	-1.7	503	-2.5
IN	147	154	146	154	262	-2.2	746	0.7
IA	195	187	195	187	331	-1.8	947	-3.0
KS	113	110	112	109	193	1.6	554	0.5
KY	110	109	111	110	127	-1.6	357	-2.5
LA	--	--	40	36	--	--	127	-8.6
ME	--	--	34	32	--	--	147	-2.6
MD	--	--	76	73	--	--	299	-0.3
MA	--	--	17	17	--	--	73	-1.4
MI	301	308	300	307	561	2.9	1,605	1.9
MN	465	455	465	457	710	1.1	2,048	-0.6
MS	--	--	28	26	--	--	109	---
MO	123	119	124	118	163	-1.2	459	-2.3
MT	--	--	18	18	--	--	87	2.4
NE	--	--	61	60	--	--	264	-1.1
NV	--	--	25	25	--	--	128	0.8
NH	--	--	16	16	--	--	76	---
NJ	--	--	12	12	--	--	49	-5.8
NM	327	322	326	320	576	-0.2	1,620	-4.1
NY	660	651	659	650	1,038	4.1	2,956	1.9
NC	--	--	58	55	--	--	253	-4.2
ND	--	--	33	33	--	--	128	-0.8
OH	260	268	259	267	407	3.6	1,163	3.7
OK	--	--	80	75	--	--	311	-5.8
OR	120	121	119	120	196	4.8	559	2.0
PA	564	560	564	561	896	1.2	2,560	1.0
RI	--	--	1.2	1.0	--	--	4.5	-13.5
SC	--	--	17	18	--	--	79	---
SD	--	--	80	80	--	--	344	3.3
TN	--	--	77	72	--	--	295	-4.8
TX	317	317	317	317	567	3.1	1,588	0.6
UT	--	--	88	88	--	--	398	2.8
VT	145	143	145	143	228	2.7	655	0.6
VA	105	105	105	105	157	1.9	452	2.5
WA	239	238	240	236	483	3.9	1,372	1.6
WV	--	--	13	13	--	--	48	-4.0
WI	1,244	1,233	1,245	1,234	1,923	2.4	5,522	0.4
WY	--	--	4.1	4.4	--	--	15.6	5.4
20 STATE TOTAL	8,059	8,097	--	--	13,799	3.1	--	--
U.S. ^{5/ 6/}	--	--	8,993	8,995	--	--	43,238	1.1

^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{5/} Includes states for which individual monthly estimates are not available. ^{6/} Milk cows will not add due to rounding. **SOURCE:** "Milk Production," Da 1-1 (4-05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

THE DAIRY OUTLOOK

Holiday Dairy Sales Memorable

Commercial disappearance of dairy products in January posted very large increases from a year earlier, wrapping up what proved to be a very good autumn holiday season. For the October-January period, use of all dairy products (milk equivalent, milkfat basis) rose 2.3 percent from the fairly strong levels of a year earlier. Butter use rose about 2 percent, while sales of American varieties of cheese jumped more than 7 percent and other varieties almost 3 percent. Boosted by large commercial exports, commercial disappearance of nonfat dry milk jumped 39 percent.

The pattern was remarkably uniform for sales of total milkfat, butter, and the two cheese categories. October use was relatively weak as buyers delayed normal holiday buying in hopes that butter and cheese prices would decrease further. Sales surged in November as orders were strong and prices moved higher. Wholesale movement was not as strong in December, but this apparently reflected a lack of supplies rather than a lack of desire to buy. Pipeline holdings at yearend were very tight, and the huge increases in January disappearance were partially the result of rebuilding these stocks.

The strong holiday season movement reflected generally good economic and income conditions for most Americans, with both restaurant and home use showing substantial recovery. In addition, there appeared to be no significant carryover effect from the very high spring and summer prices. The holiday strength bodes well for 2005 dairy demand as well as helping to explain price buoyancy early in the year.

Preliminary information indicates that cheese use remained quite strong in February, particularly for other cheese. Total sales, however, were pulled down slightly by a drop in butter. Analysis of butter disappearance is particularly complex this year because of the quite early western Easter, normal timing of Passover, and quite late eastern Easter. Nonfat dry milk sales continued to soar.

DAIRY FORECASTS (Calendar year basis)

	2004	2005				
	ANNUAL	I	II	III	IV	ANNUAL
Milk cows (thous.)	9,010	8,995	8,960	8,945	8,940	8,955
Milk per cow (pounds)	18,958	4,807	4,985	4,780	4,790	19,370
Milk production (bil. pounds)	170.8	43.2	44.7	42.8	42.8	173.5
Commercial use (bil. pounds)						
milkfat basis	176.2	42.6	43.9	45.1	45.9	177.4
skim solids basis	173.5	44.3	44.3	44.4	44.7	177.7
Net removals (bil. Pounds)						
milkfat basis	-0.1	0.0	0.0	0.0	0.0	0.0
skim solids basis	1.3	-0.4	-0.1	0.0	0.1	-0.4

Source: "Livestock, Dairy, and Poultry Outlook," LDP-M-130, April 15, 2005, Economic Research Service, USDA, Washington, DC. For more information, contact James J. Miller, (202) 694-5184.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, MARCH

HIGHLIGHTS: Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, about 10.4 billion pounds of milk were received from producers. This volume of milk is 35.7 percent higher than the March 2004 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +2.4 percent.) About 3.8 billion pounds of producer milk were used in Class I products, 2.2 percent lower than the previous year. The timing of the Easter season, as well as calendar composition, likely had a negative impact on milk used in Class I in 2005 as compared to 2004. The all-market average Class utilization percentages were; Class I = 37%, Class II = 13%, Class III = 38%, and Class IV = 12%. The weighted average statistical uniform price was \$15.39 per cwt., \$0.23 higher than last month, and \$0.23 higher than last year.

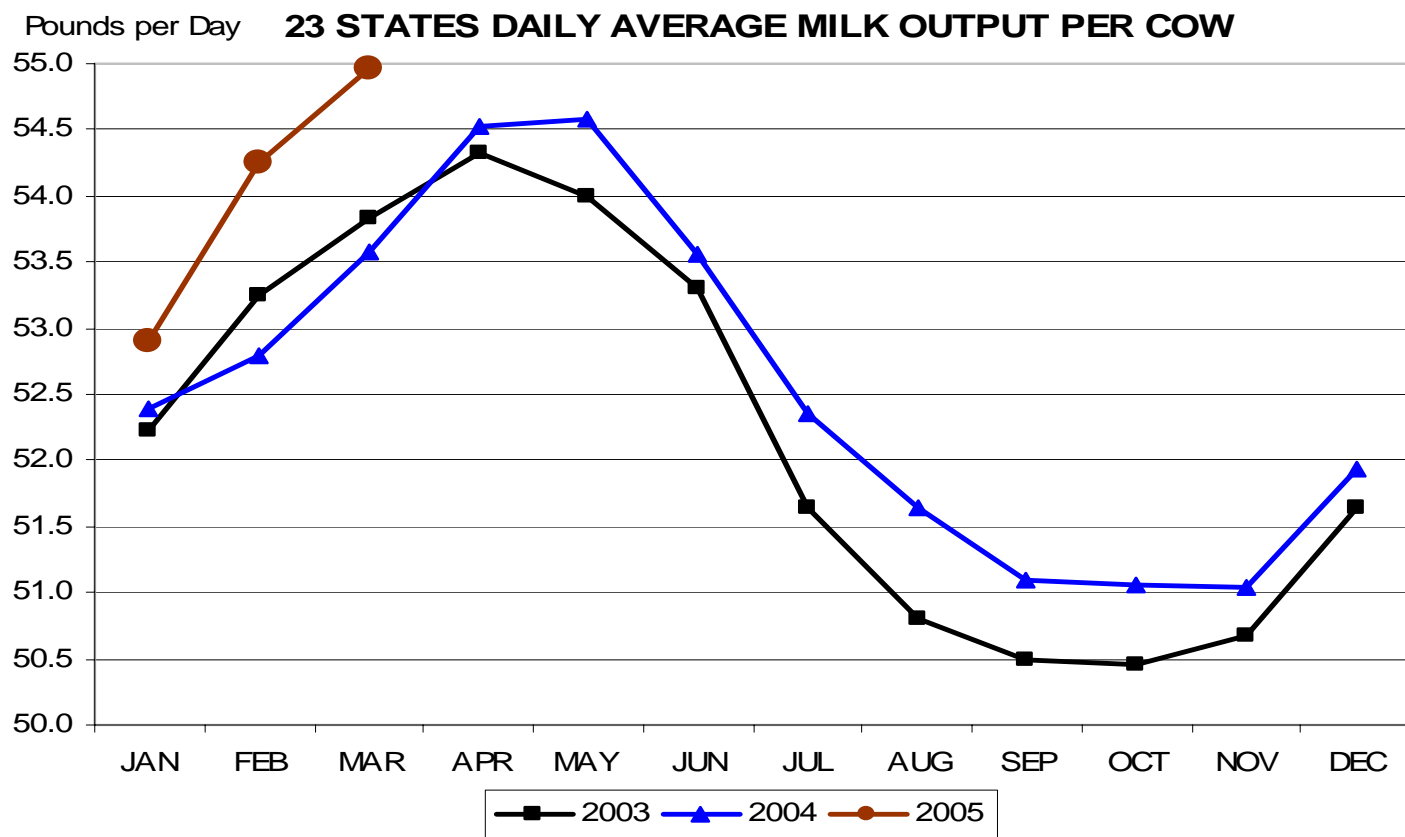
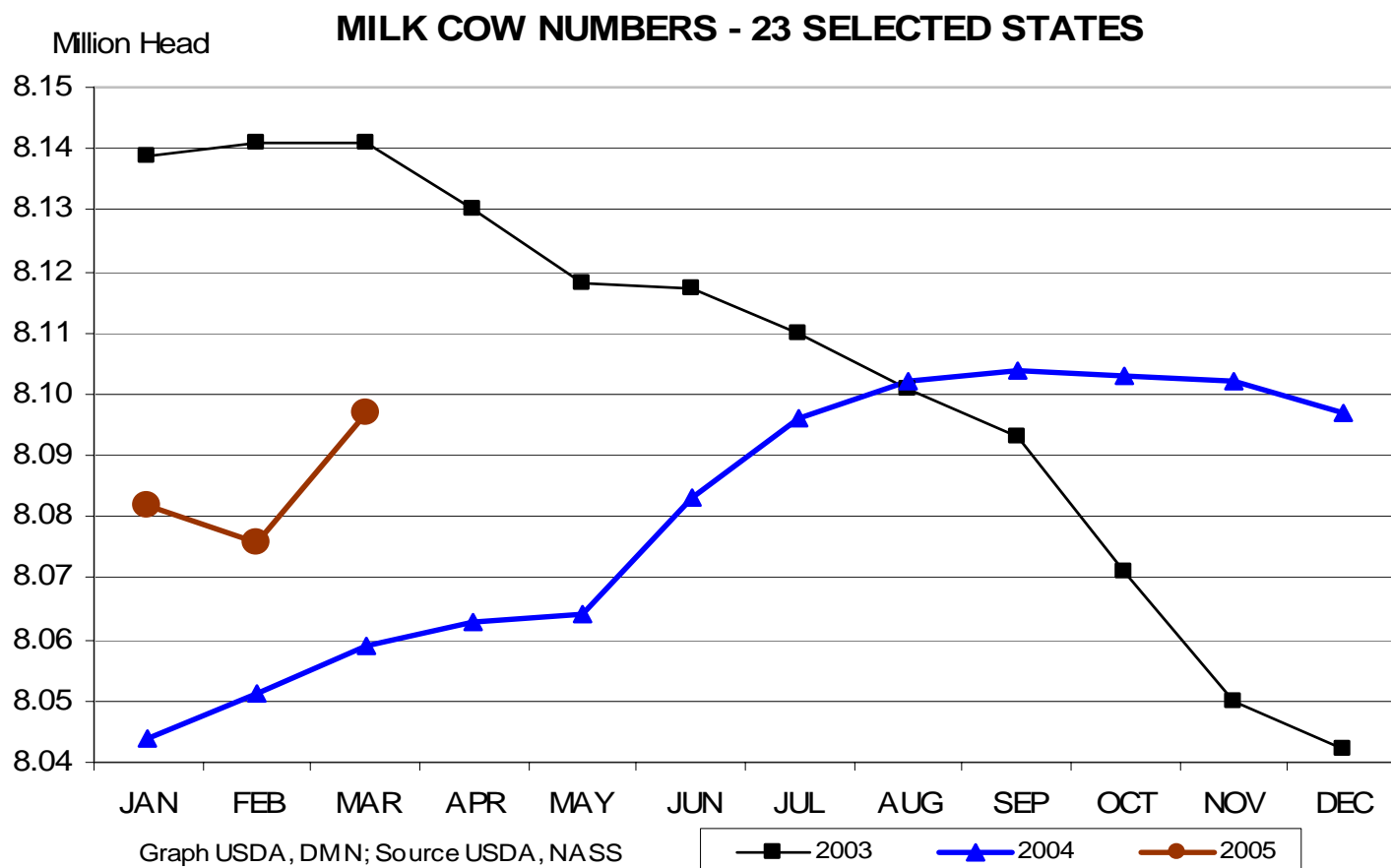
PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2005										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>2/</u>
		TOTAL	CHANGE FROM PREV. YEAR <u>3/</u>	TOTAL	CHANGE FROM PREV. YEAR <u>3/</u>	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,023.3	-3.0	907.2	-2.5	45	20	23	12	16.04
Appalachian (Charlotte)	005	610.0	22.0	376.8	-1.1	62	17	9	12	16.74
Southeast (Atlanta)	007	678.5	3.4	402.2	0.3	59	13	14	14	16.63
Florida (Tampa)	006	299.6	10.7	230.9	2.8	77	7	12	4	18.15
Midwest (Cleveland)	033	1,663.6	28.2	547.3	-5.2	33	15	47	5	14.95
Upper Midwest (Chicago)	030 <u>4/</u>	2,166.3	220.9	382.2	-3.4	18	6	69	7	14.49
Central (Kansas City)	032	1,334.7	87.4	374.3	-2.3	28	11	50	11	14.73
Southwest (Dallas)	126 <u>4/</u>	784.4	30.4	344.4	-2.5	44	13	22	21	15.79
Arizona-Las Vegas (Phoenix)	131	270.5	1.6	84.6	-1.8	31	10	39	20	14.86
Pacific Northwest (Seattle)	124 <u>4/</u>	569.0	-5.3	187.6	-1.2	33	7	24	36	14.59
ALL MARKET AVERAGE OR TOTAL	<u>3/ 4/</u>	10,399.9	35.7	3,837.6	-2.2	37	13	38	12	15.39

1/ Names in parentheses are the major city in the principal pricing point of the market.

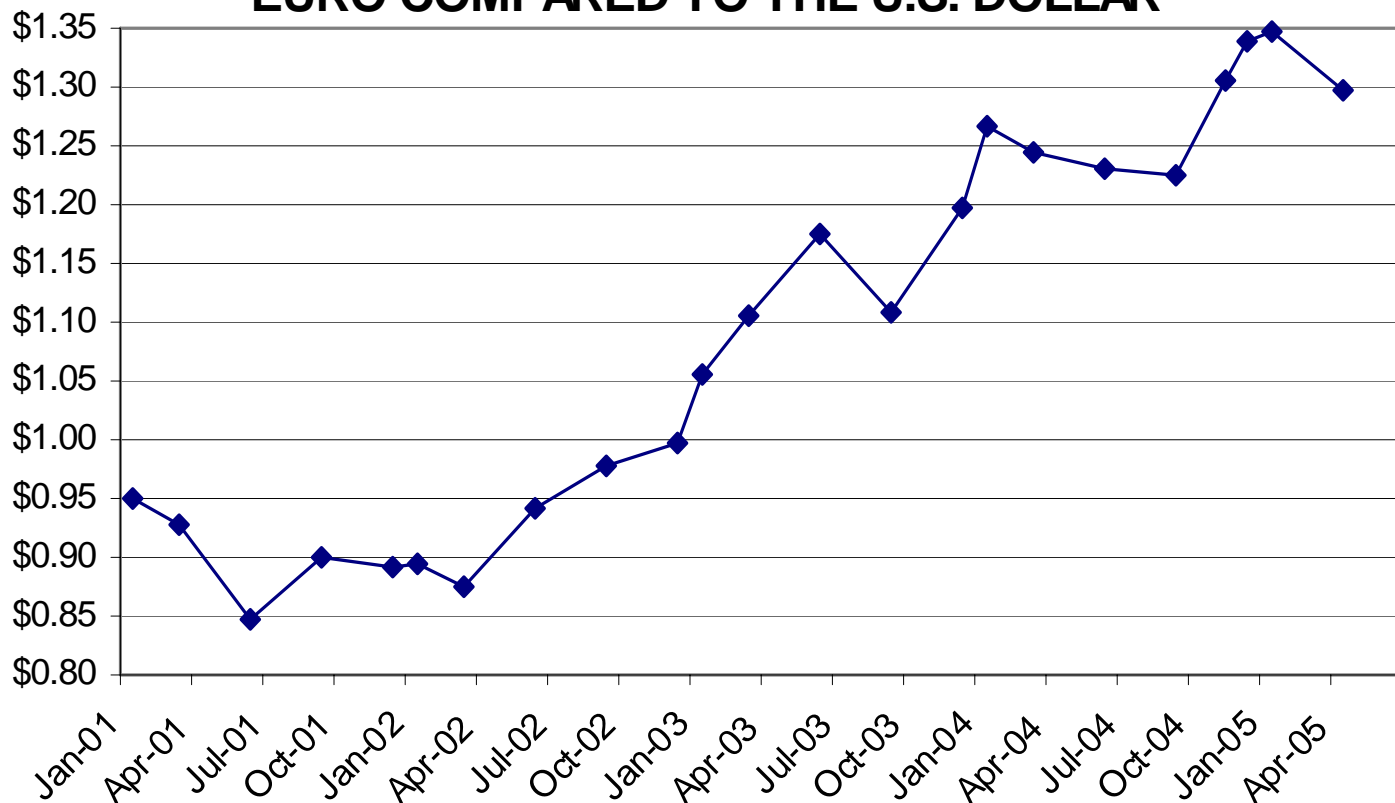
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Percent changes from the previous year are based on the same group of comparable markets—markets where the orders were in effect for both years. Excludes the Western Federal milk order which was terminated effective April 1, 2004.

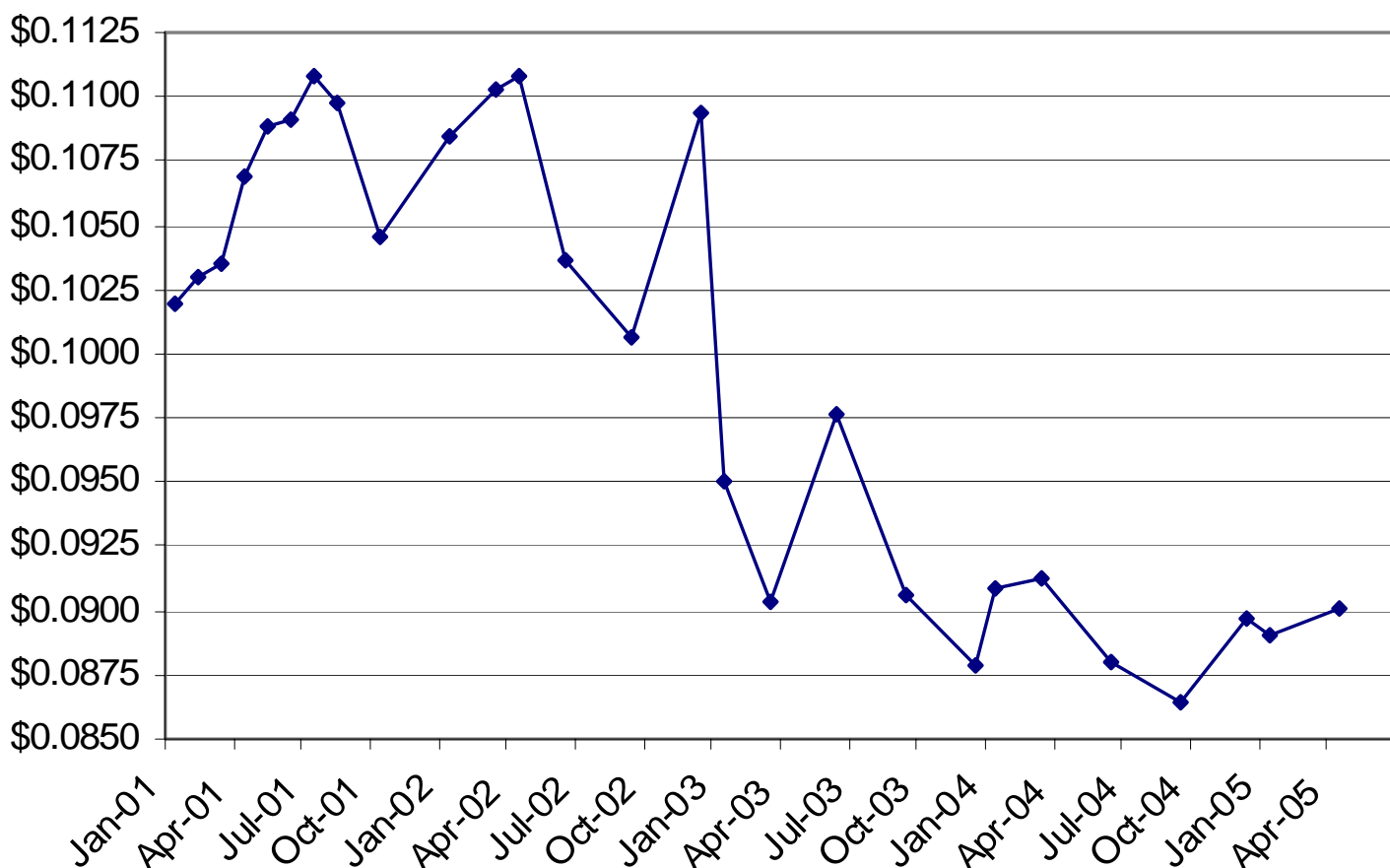
4/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 240 million pounds of milk that normally would have been associated with these markets. In March 2004, the estimated not-pooled volume of milk was 3.0 billion pounds, occurring in Order Nos. 005, 033, 030, 032, 126, 135, and 124. After adjusting for these not-pooled volumes, the year-to-year percent change is +2.4.



EURO COMPARED TO THE U.S. DOLLAR



MEXICAN PESO COMPARED TO THE U.S. DOLLAR



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 18 - 22, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 04/15/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	-0-	-0-	-0-	31,817,269	253,215,820	-0-	656,102,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	31,817,269	253,096,772	-0-	702,493,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 11 - 15, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.2	64.6
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	54.8	2,946.0
CUMULATIVE JANUARY 1 - APRIL 15, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	29.3	1,596.8

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 18 - 22, 2005 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	3.1
WEST	-0-	-42,309	-0-	-0-	29,415,099	241,166,722	92.4	95.2
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.7
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	253,096,772	100.0	100.0

NDM SELLBACK TO THE TRADE The cumulative sellback total for 2005 is 0 pounds.

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/02/05 & Comparable Week 2004

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	N.A.	2.6	13.9	2.6	1.1	N.A.	12.2	1.3	41.3	653.2	50.9	49.6
2004-Dairy	N.A.	0.7	N.A.	2.1	15.5	2.6	0.5	N.A.	10.1	2.8	42.7	686.7	46.0	49.4
2005-All cows	0.1	0.6	N.A.	10.3	24.3	9.7	11.6	N.A.	13.2	1.5	81.2	1,317.6		
2004-All cows	N.A.	0.7	N.A.	9.6	26.5	11.4	15.5	N.A.	11.5	5.6	92.9	1,390.6		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80							
II	13.04	13.36	13.25									
III	14.14	14.70	14.08									
IV	12.52	12.74	12.66									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm